



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

DATE: February 18, 2000
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PHOENIX MAN SENTENCED TO TEN YEARS FOR INVESTMENT FRAUD

Phoenix resident DL Clifton, age 46, was sentenced by Superior Court Judge Michael Wilkinson to a ten year prison term, followed by 7 years of probation, after pleading guilty to counts of fraud schemes and theft. Clifton, who uses two initials as a first name, but who has used several other aliases in the past, was sentenced for promoting an investment scheme that raised over \$470,000 from at least ten victims.

Clifton operated under the business name of DLC Enterprises and DLC Investment Group, used a local mail drop for his business communications, and listed only a cellular telephone number. He solicited investors for money that he promised would result in as much as a 100% return within a few months. The money was to be used to invest in European prime bank instruments, supposedly financial paper that paid high interest as it was traded several times a week by various top European banks. "Prime bank schemes have been one of the most prolific and devastating frauds in the country over the past few years," said Mark Sendrow, director of the Arizona Corporation Commission's Securities Division. The Corporation Commission investigated and prosecuted Clifton in conjunction with the Arizona Attorney General's office. Sendrow stated that the fraud inherent in such a scheme is that "prime bank instruments" do not exist in the

legitimate financial world.

Clifton also sold promissory notes to victims that promised them large business loans in return for an up front fee. Clifton claimed to have contacts at various European financial institutions that would provide the loans. In fact, Clifton used all of the money raised to support a life style that included buying and selling luxury cars, as well as expensive jewelry and a personal residence.

Corporation Commission Chairman Carl Kunasek, stated that "investors should proceed cautiously when they are promised suspiciously high rates of return or offshore investments in foreign notes." Added Commissioner Jim Irvin, "The Arizona Corporation Commission intends to seriously enforce securities laws to protect the public against unscrupulous individuals." Commissioner William Mundell states that "we will not tolerate theft by individuals offering bogus investments."

Director Sendrow cautioned investors to investigate before they invest and to check with the Division for information on both the promoters and the product being sold. The public can contact the Securities Division at (602) 542-4242, by facsimile at (602) 594-7470, or by E-mail at accsec@ccsd.cc.state.az.us.